

Central Intelligence Agency



Washington, D.C. 20505

16 September 2019

Mr. Ryan Weisensee
MuckRock News
DEPT MR 59036
411A Highland Avenue
Somerville, MA 02144-2516

Reference: F-2018-02250

Dear Mr. Weisensee:

This is a final response to your 6 August 2018 Freedom of Information Act (FOIA) request for **documents generated by the Agency between the years 1975 and 1985 concerning heroin trafficking from Mexico into the United States**. We processed your request in accordance with the FOIA, 5 U.S.C. § 552, as amended, and the CIA Information Act, 50 U.S.C. § 3141, as amended.

We completed a thorough search for CIA-originated records responsive to your request and located the enclosed six documents, which we can release in segregable form with deletions made on the basis of FOIA exemptions (b)(1) and (b)(3). Additional deletions were made on material that is not responsive to your request (marked "NR Record" for "Not Responsive Record"). Copies of the documents are enclosed.

Additional material was determined to be currently and properly classified and must be denied in its entirety on the basis of FOIA exemptions (b)(1) and (b)(3). Exemption (b)(3) pertains to information exempt from disclosure by statute. The relevant statutes are Section 6 of the Central Intelligence Agency Act of 1949, as amended, and Section 102A(i)(1) of the National Security Act of 1947, as amended.

As the CIA Information and Privacy Coordinator, I am the CIA official responsible for this determination. You have the right to appeal this response to the Agency Release Panel, in my care, within 90 days from the date of this letter. Please include the basis of your appeal.

If you have any questions regarding our response, you may contact us at:

Central Intelligence Agency
Washington, DC 20505
Information and Privacy Coordinator
703-613-3007 (Fax)

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ogis@nara.gov

Contacting the CIA's FOIA Public Liaison or OGIS does not affect your right to pursue an administrative appeal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Lilly', with a stylized flourish at the end.

Mark Lilly
Information and Privacy Coordinator

Enclosures



ARCHIVES

The
National Intelligence
Daily

Published by the Director of Central Intelligence for Named Principals Only

WEDNESDAY JUNE 25, 1975

VOLUME 2, NUMBER 148

TCS 575/75
NR Record

~~TOP SECRET~~

2 WEDNESDAY JUNE 25, 1975

TCS 575/75 THE NATIONAL INTELLIGENCE DAILY

WESTERN HEMISPHERE

Despite Its Efforts, Mexico Is Key Source of Illicit Drugs in the US

Today, the Daily offers the second of three articles on Latin America and narcotics. It deals with Mexico and heroin; tomorrow we will examine the cocaine traffic.

CIA
Mexico is the largest single source in Latin America of illicit drugs entering the US. In the last few years, Mexican heroin has filled the void left in the US market by reduced supplies of European heroin, the transit traffic in cocaine has increased considerably, and marijuana continues to cross the border in huge quantities.

US assistance to Mexican enforcement agencies is playing an important role in efforts to stem the flow. Mexico is now using a sophisticated poppy detection system provided by the US, as well as several large troop-carrying helicopters based near the growing areas.

The aid enables the Mexicans to carry the fight to remote poppy and marijuana fields, and they apparently have been doing so with a vengeance in the past several weeks. Mexican statistics, which are largely unverified, show that the opium poppy destruction campaign has been extraordinarily successful this year.

These successes may not result in a significant reduction in the production of heroin or in its movement into the US, since cultivation may be expanding to compensate for the fields destroyed.

Heroin

Opium poppies are grown in at least 10 of the 31 Mexican states. Most fields are hidden in the mountains and hills of the



Mexican opium poppies

western states of Sinaloa, Durango, and Chihuahua. Aerial reconnaissance last spring and fall turned up nearly 1,500 opium poppy fields in a 750-square-mile area in this region, and, in many areas, two crops can be harvested each year—one in early spring and one in September or October.

Heroin-producing laboratories have been identified in 13 states. A large number are in and around Culiacan, Sinaloa—the heroin center of Mexico. Although some heroin is processed in laboratories, most is turned out by individual enterprises, mobile and simple in operation, producing a few kilograms per batch. These laboratories require little space—often no more than a kitchen is needed—and they can easily be hidden in the mountains or in cities.

Traffickers employ a wide variety of

methods to get the narcotics into the US. The narcotics are carried by land, sea, or air—no single method appears to be preferred over another. Movement by air is substantial: in May 1974, US narcotics agents, monitoring radar near Del Rio, Texas, discovered about one illegal crossing by air per hour with a 100-mile radius of Del Rio, which is not the most active crossing area.

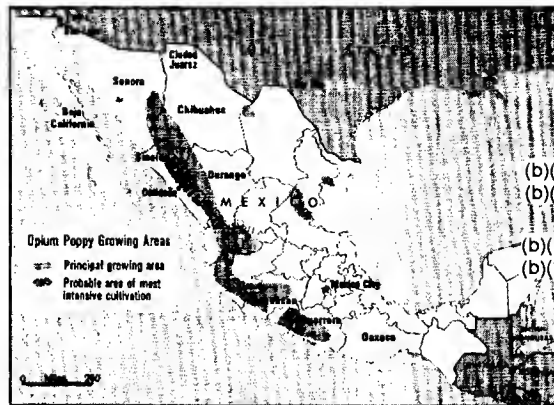
Bizarre methods have been used:

- Crude opium and morphine have been packaged in plastic bags which are then shoved down the throats of cattle being shipped to the border.
- Individuals have been known to swallow a balloon containing about two grams of heroin just before crossing the border.
- Arrows, to which an ounce or less of heroin is attached, have been shot across narrow portions of the Rio Grande.

A Family Affair

Hundreds of gangs are involved in the trafficking, as are hundreds of individuals, many of them American tourists seeking to make a quick profit. As of February 1975, there were 420 US citizens in Mexican jails on narcotics charges.

In many cases, trafficking is a family affair.



drug campaigns some times complicate the security problem by arousing local opposition.

The army still manages to destroy quantities of opium poppies and marijuana—if the statistics it provides the US embassy are anywhere near the mark.

According to the army's statistics, nearly 33 million square meters were destroyed from January through April 1975; the total for all of 1974 was about 22.5 million square meters. The total number of poppy fields reported destroyed in the first four months of 1975 was 8,011, compared to 9,825 in all of 1974.

On the surface, the figures look impressive. Still, all this destruction may not necessarily make a large dent in the flow of Mexican heroin into the US, since no one knows how big Mexico's poppy crop is.

Most of the destruction was in the Sinaloa-Durango-Chihuahua and the Guerrero-Michoacan-Oaxaca areas; other areas may be prolific producers. Growers may be taking more care to make their fields inaccessible to destruction teams. Hundreds of fields were probably harvested before the teams arrived.

Other Measures

Mexico had adopted a new drug law that provides stiffer penalties to traffickers, but lighter sentences to young, first-time drug users. The minimum sentence for trafficking has been increased from three years to five years and three months, and a jail term is now mandatory.

Persons convicted of growing opium poppies, producing heroin, or financing those who do are now subject to the same penalties as the traffickers.

Coping

The federal judicial police are charged with enforcing narcotic laws under the guidance and control of the attorney general. The police cannot cope with the problem. They number only about 340 and they must enforce all federal laws.

They receive little instruction in control of narcotics and illicit drug traffic.

Plans are afoot to improve the force. A training academy was established last July, and the attorney general intends to increase manpower and raise salaries. It will probably be a couple of years or more before improvements begin to bear fruit.

The army, which for many years has sent thousands of troops into the countryside to destroy poppies and marijuana plants, is too ill-equipped and overworked to cope with the problem. The army is also responsible for security, and anti-

Other groups are maneuvering for control over the lucrative Ciudad Juarez drug business and are building their own coterie of protectors.

the former drug czar will make a comeback and assume full control in the area after the dust settles.

In two states, federal and state police reportedly have been operating effectively against small, independent traffickers because they compete with the large, organized gangs that pay for police protection. Wide publicity is given to such arrests to verify the effectiveness of the war on narcotics traffickers.

Prospects

With continued US help, more progress can be expected. The vigorous and apparently extensive destruction of drug crops in the field, if done effectively and repeatedly, is bound to have an effect.

The use of herbicides to destroy the crops is being reconsidered by the government after being rejected some time ago for environmental reasons.

The growers and traffickers may in time be hurt by the countermeasures, but they have proved to be a resourceful lot. Putting the big traffickers out of business will be difficult. Indeed, Mexico is likely to go on being a convenient country for those involved in the trafficking of narcotics to the US, and there is little reason why they should not attempt to increase their activities.

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THE NATIONAL INTELLIGENCE DAILY TCS 575/75

WEDNESDAY JUNE 25, 1975 3

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4 WEDNESDAY JUNE 25, 1975

TCS 575/75 THE NATIONAL INTELLIGENCE DAILY



Director of
Central
Intelligence

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Prospects for Reducing Heroin Supplies to the United States

National Intelligence Estimate
Volume I—The Estimates

~~Secret~~

NIE 8-2-83
27 September 1983

Copy 394

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FGI-	Foreign Government Information

(b)(3)

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NIE 8-2-83

**PROSPECTS FOR REDUCING
HEROIN SUPPLIES TO THE
UNITED STATES**

VOLUME I—THE ESTIMATE

Information available as of 15 September 1983 was
used in the preparation of this Estimate.

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THIS ESTIMATE IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.

THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS.

The following intelligence organizations participated in the preparation of the Estimate:

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organizations of the Departments of State and the Treasury.

Also Participating:

The Assistant Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Director of Intelligence, Headquarters, Marine Corps

Intelligence units in the Drug Enforcement Administration, Department of Justice, and in the United States Customs Service, Department of the Treasury, also participated in the preparation of this Estimate.

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SCOPE NOTE

Heroin consumption may be on the rise again in the United States after it leveled off at about 4 tons a year in 1980 and 1981, with around 500,000 addicts. In other parts of the world, consumption and addiction have been steadily increasing. It is estimated, for example, that in 1982 there were some 250,000 heroin addicts in Western Europe, 50,000 in Pakistan, and 25,000 in Australia, all up considerably in the last few years. As their addict population rises, these and other countries are wrestling with the question of how to combat the heroin problem in both its foreign policy and domestic dimensions.

Since the problem came earlier to our country, US administrations for over a decade have been attempting to pursue an explicit foreign policy to cut heroin flows into the United States. In the main, that policy has focused on reducing supplies of heroin as close to the growing source as possible, primarily through programs to eradicate opium poppies (the raw material from which heroin is made) but also including interdiction of supplies and arrests of traffickers. The purpose of this two-volume study is to examine what overall impact the US supply reduction program has had on heroin usage in the United States, what the prospects are for reducing supplies to the United States in the next few years, and what the implications are of pursuing current US supply reduction policies. Volume I provides a general overview of the problems, prospects, and implications of the US program to reduce heroin supplies. Volume II contains supporting material in the form of case studies of past instances of heroin supply reductions from Turkey, Mexico, and Southeast Asia.

This study does not treat the demand side of the heroin use equation, an aspect of any overall strategy to reduce heroin consumption that is at least as important as cutting supplies. It also does not delve into the financial aspects of heroin trafficking, a complex subject which will be dealt with in future studies of narcotics-generated financial flows. In addition, the study focuses exclusively on heroin, and its conclusions do not necessarily apply to the prospects for reducing supplies of other drugs, such as marijuana and cocaine.

The statistics used in this paper, as with virtually all numbers in the drug area, must of necessity be read as midpoints on estimated ranges, not as hard figures. Nonetheless, we believe they are accurate enough to show direction of change and magnitude, and to support the conclusions of the study.

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KEY JUDGMENTS

In the next few years, the United States will be hard pressed to contain the amount of heroin entering this country from Southwest Asia, Southeast Asia, and Mexico, let alone to reduce it significantly through supply reduction programs. Nonetheless, supply reduction programs probably do help prevent sudden, massive increases in the quantity of heroin imported into the United States.

There are three reasons for continuing to pursue foreign supply disruption programs. First, there is no way of calculating whether and how much additional heroin might flow to the United States if these programs ceased. No one can predict precisely where the upward limit on heroin consumption might be. Consequently, at least some risk exists that heroin use in the United States would rise significantly in intensity and possibly in magnitude if the retail price dropped sharply because our market was flooded by supplies of this opiate.

Second, they are important symbols. US leadership in pushing bilateral and international supply reduction programs provides an important indicator of the depth of US concern about the societal harm caused by the drug. Particularly as heroin abuse increases as a social problem in Western Europe and other countries (such as Pakistan) with which the United States has close ties, these governments will probably look to the United States for closer cooperation on narcotics suppression matters. Not maintaining US initiatives for joint and international programs in these circumstances would probably raise serious questions concerning US sincerity about combating heroin abuse.

Third, with the rising concern among West European governments over increasing heroin abuse, the conditions are improving for even closer joint intelligence and law enforcement action against the same trafficking networks that often supply both Europe and the United States. The West Europeans have also become more willing to encourage crop suppression efforts in source countries, adding to already growing international diplomatic pressures on the governments of those countries and possibly to the resources available for crop eradication, substitution, and interdiction programs. While there is little chance that these efforts will significantly reduce heroin availability in the United States over the next few years, they provide some hope that the participants in the poppyfield-to-street-market heroin chain can be kept under enough pressure to limit growth in future supplies.

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Temporary reductions of heroin in some regions in the United States were achieved in the 1970s through cooperative actions with the governments of Turkey and Mexico. The conditions which permitted those limited successes, however, largely do not exist in current source countries. In particular, governments in two of the three areas which now produce heroin for the US market have neither the political control over the producing regions in their countries nor the economic resources to mount the kind of crop bans begun by Turkey in 1971 or the eradication programs started by Mexico in 1976, both with US help.

In *Southwest Asia*—source of about half of the opium for the 4 metric tons or so of heroin consumed in the United States in 1981—the Soviet-backed Karmal regime in Afghanistan is devoting little attention to the narcotics problem. Moreover, these crops are grown primarily in insurgent-dominated regions where neither the Soviets nor the Afghan Government are likely to extend their control in the future. The Pakistani Government has shown new interest in narcotic suppression programs in the last year, but its efforts are likely to have only minimal impact on the amount of heroin exported from Pakistan. The main producing areas of Pakistan are mostly in the North-West Frontier Province (NWFP), which is only partly under Provincial or Federal government control. In any case, the federal government is unlikely to mount the sweeping antinarcotics drive that would be necessary to cut heroin production in the NWFP, because the probable violence accompanying such actions could aggravate the area's weak economy, destabilize the Afghan refugee situation, and provoke hostilities from the militant Pushtun tribes resident there.

The prospects for successful government narcotics countermeasures are equally poor in the "*Golden Triangle*" of *Southeast Asia*, which has recently supplied 10 to 15 percent of US heroin imports. Over 80 percent of the opium harvested in 1982 in the Golden Triangle was produced in Burma. The primary problem in Burma is that the main producing areas in the country are to varying degrees insurgent controlled and have been for years. While the Burmese are considering an ambitious eradication program, including aerial herbicide spraying in insurgent areas, it is doubtful that they could develop either the technical or military capability to reduce opium production significantly in these areas. In addition, there is conclusive evidence that high-level Burmese Government and military officials, including some who were responsible for the government's narcotics suppression programs, have profited from protecting drug traffickers. The government is attempt-

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ing to purge these officials, but corruption appears to be so widespread that major doubts remain about how effective any Burmese Government program to combat growing and processing opium can really be.

The ability of the government in *Mexico*—the third area now supplying the US market—to suppress heroin production also seems to have declined. At their peak in 1975, Mexican growers and traffickers produced possibly as much as 6.5 tons of heroin for the US market—probably more than three-fourths of the heroin consumed in the United States that year. Imports from Mexico dropped to about 1 ton and the Mexican market share to below 30 percent in 1979, largely because of the success of a major crop eradication program undertaken by the Mexican Government with strong support from the United States. After 1980, however, Mexican heroin supplies appear to have increased and have remained at 1.5 tons or slightly higher, supplying around one-third of the US market. The increase in production probably occurred because Mexican poppy farmers learned techniques that make their fields harder to find and their poppies more difficult to kill, and cultivation spread into nontraditional areas.

These improved growing techniques together with the continued existence of powerful Mexican trafficking organizations suggest that the government would have to expand its eradication program to reduce significantly Mexican heroin production from its present level. Even maintaining the program at its current level may prove difficult, however, in Mexico's present dire economic circumstances. These circumstances are boosting the incentives for growing opium poppies as other sources of farm income decline while simultaneously limiting the government's ability to divert resources to crop eradication because of the need to stick to a severe austerity program. Increased assistance from the United States could provide some additional resources, but it would probably not obviate the need for some growth in local Mexican resources if the eradication program were to be significantly expanded. Consequently, the outlook for Mexican heroin production, under the best circumstances where the government maintains its current eradication program, is for heroin output to remain at about 1.5 tons or slightly higher. If, despite good intentions, economic stringency forces the government to cut back resources devoted to crop suppression, the situation could worsen considerably, since Mexican heroin production is probably capable of expanding fairly rapidly.

In addition to the inability of governments to extend their control over poppy-growing areas or devote necessary resources to suppression

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programs, a number of other political and economic factors severely hamper efforts to reduce the flow of heroin to the United States:

- A vast amount of heroin is potentially available worldwide for diversion into illegal channels from opium poppies grown for the legal pharmaceutical market and for illegal but traditional consumption in Asian societies. Only about 3 percent of total opium production (legal and illegal) and less than 10 percent of all illicit output is shipped to industrial countries in the form of heroin. The entire illicit heroin consumption of these countries could be grown from poppy acreage equivalent to an area smaller than Washington, D.C.
- If the price were right, opium poppy production could easily be expanded in both traditional and new areas to meet the demands of the comparatively small US and Western illicit markets; there are few agricultural restrictions on where it can be grown. Furthermore, a shrinking of the licit market for opium poppy derivatives could cause diversion into illegal channels of some part of the massive legal crop grown in India by farmers who would be loath to give up this important source of income.
- Extraordinary revenues are generated by illegally producing and moving heroin, far more than can be earned any legal way by all participants in the system. Many billions of dollars are produced annually by the sale of heroin used in the United States.
- Sufficient heroin to supply the US market can be smuggled in such individual small quantities as to make confiscation of significant amounts virtually impossible. In addition, disrupting supplies by enforcement action will not be as easy as in the 1970s because there are many more small, independent networks now than in the past.

One possible approach which might—although probably not within the time frame of this Estimate—improve capabilities for inhibiting trafficking of heroin to the United States involves disrupting narcotics-generated financial flows into and out of the United States. Attacking these flows through combined intelligence/diplomatic/enforcement actions conceivably could reduce profits and raise risks to trafficking organizations sufficiently to diminish their enthusiasm for supplying the US market. The Intelligence Community is actively studying the feasibility and implications of attempting this approach.

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DISCUSSION

The Setting

1. **Changing Import Patterns.** Of the 4 metric tons or so of heroin that now enters the United States annually, a little over half comes from opium grown in Southwest Asia (Afghanistan, Pakistan, and Iran), about one-third originates in Mexico, and the remaining 10 to 15 percent is produced in the "Golden Triangle" in Southeast Asia (Thailand, Burma, and Laos). (See table 1.) This import pattern, which has held fairly steady since 1980, is quite different from

the pattern that was evident through most of the 1970s. Especially through the middle of that decade, single source areas tended to dominate the market. In 1971, for example, 80 percent of US heroin came from Turkey. By 1975, however, Turkey had disappeared as a supplier for the US market, while Mexico had risen to prominence, supplying about 85 percent of imports. By 1980, the principal supplier had changed once again, with half of the US market supplied by Southwest Asia, as Mexico dropped to 40 percent and the Golden Triangle constituted about 10 percent.

Table 1
Estimated Supply of Heroin to the United States From Principal Foreign Sources, 1975-83^a

Metric tons

Area	1975	1976	1977	1978	1979	1980	1981	1982	1983
Mexico	6.5 ^b (85)	4.0 (65)	3.0 (55)	2.0 (45)	1.0 (30)	1.5 ^c (40)	1.5 (40)	NA	1.7 ^d
Southeast Asia	1.0 (15)	2.0 (35)	2.0 (35)	1.5 (40)	1.0 (30)	0.5 (10)	0.5 (10)	NA	NA ^e
Southwest Asia	Negl	Negl	0.5 (10)	1.0 (20)	1.5 (40)	2.0 (50)	2.0 (50)	NA	NA
Total	7.5	6.0	5.5	4.5	3.5	4.0	4.0	NA^f	NA

NOTE: US market shares are in parentheses.

^aThese figures are generally rough estimates rather than hard numbers. They are believed, however, to accurately reflect trends and magnitudes. All numbers have been rounded to the nearest 5. The figures from 1975-79 come from DEA files. Those from 1980-81 are derived from the 1981 National Narcotics Intelligence Consumers Committee report.

^bOur best estimate of heroin imports from Mexico in the peak year of 1975 is 6.5 tons. This figure, however, illustrates how uncertain we are of the accuracy of heroin statistics generally. We have modeled a number of dimensions of heroin supply and demand for the period 1970 to 1982. The amount of heroin that we estimate was imported from Mexico in 1975 is not, according to the model, congruent with what we think demand was that year. Six and a half tons of heroin should have more than met consumption needs across the nation. If, because of the highly regionalized nature of the US market, there was still something of a shortage on the east coast in 1975, then, according to the model, there should have been so much heroin available in the western and southwestern markets that addiction figures and purity there should have risen sharply and prices should have plummeted. Information available from the west

and southwest for that period, however, does not reflect these kinds of sharp changes. The most likely explanation is that our estimate for Mexican heroin production for that year is too high.

^cThe 1980 Mexico production figure of 1.5 tons of heroin is based on a methodology which was not available in earlier years. Consequently, the 1979 and 1980 figures are not strictly comparable and the exact percentage of increase cannot be known accurately. Nonetheless, the totality of available evidence indicates that some increase in Mexican heroin production has occurred since the low point was reached in about 1979, and the new level has been maintained or may have even slightly increased during the last three years.

^dCIA projection.

^eThe 1982-83 opium harvest in Southeast Asia has been excellent, suggesting this area will have at least as much heroin available for export to the United States as it did in 1982.

[] indicates that 5.2 metric tons of heroin were imported into the United States in 1982, 30 percent more than in 1981. Of this total, Southwest Asia may have accounted for 2.7 tons or 52 percent, Mexico 1.8 tons or 34 percent, and Southeast Asia 0.7 tons or 14 percent.

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2. These swings in sources of supply were caused, in part, by two US policy initiatives that resulted in successive sharp reductions in the amount of Turkish and Mexican heroin entering the United States. In the early 1970s, Washington convinced Ankara to take action that largely eliminated illicit opium production in Turkey. At about the same time, joint Washington-Paris law enforcement efforts severely disrupted the trafficking network—the “Turkish-French Connection”—that refined Turkish opium into heroin and smuggled it into the United States. In the mid-1970s, joint efforts by Washington and Mexico city successfully cut Mexican opium poppy crops. A two-year drought in the Golden Triangle in the late 1970s also affected marketing patterns; as the inflow of heroin from that source declined, Golden Triangle heroin was not available to take up the market share lost by the Mexicans as their supplies shrank.

3. In each case of supply disruption, however, other sources soon emerged. As it became clear, for example, that demand for heroin would not be met from Turkish crops, plantings of opium poppies increased dramatically in Mexico, and the tonnage of Mexican heroin exported to the United States went up sharply each year between 1971 and 1975. Similarly, the drop in availability of Mexican heroin in 1976 and 1977 opened the way for heroin from Southwest Asia—which had bumper opium poppy crops in 1978 and 1979—to penetrate the US market in increasing quantities. The drought in the Golden Triangle reduced competition from that source, so that the Southwest Asian market share in the United States grew steadily from virtually none in 1976 to better than 50 percent in 1981. The rise in imports from Southwest Asia seems to have leveled off at about that point, however, and it appears doubtful that supplies from that source will in the future dominate the US market the way Turkey and Mexico once did. In part, this results from the partial recovery of opium poppy crops in Mexico, beginning about 1980, as growers there found ways to circumvent the government eradication program, and because of three bumper crops in the Golden Triangle following the end of the drought. In part, it may also result from some basic changes that have occurred in trafficking patterns and in the nature of the market in the United States over the last 10 years.

4. *Changing Consumption and Marketing Patterns.* The two major supply disruptions in the 1970s produced a cyclical pattern in heroin use within the United States as consumption rose and fell with availability. During periods of relative shortage, some occasional users went off the drug, some addicts turned to methadone clinics, and many addicts used other drugs. Once heroin supplies became more available, both occasional users and many addicts returned to heroin as their drug of choice. Peaks and troughs in heroin use can be traced through rises and falls in such indicators as deaths and injuries due to overdoses, admissions to clinics, price changes in retail sales, and measures of purity. According to these indicators, US consumption was high in 1970, fell to a low point in 1973 following the loss of Turkish supplies, rebuilt to a peak in 1975, and dropped again to a low in 1978-79 after Mexican heroin became scarce. If this three-to-four-year cycle between peaks and troughs continues to hold true, supply and consumption could be approaching another high point, especially if new supplies from the bumper crops in the Golden Triangle enter the US market with no concomitant drop in imports for Mexico or Southwest Asia. (See figure 1.)

5. Along with these supply-induced cyclical movements, there have been other longer term influences that at least up to now are tending to reduce overall consumption. Although the evidence is not conclusive, most experts believe that the high levels in consumption reached in the late 1960s and early 1970s and in 1975 are not likely to be attained again, because:

- The number of persons in the prime age category for drug use (17 to 25) has fallen significantly.
- Many heroin addicts have become multiple drug users so that, even when heroin supplies increase, addicts do not consume as much as when they were on heroin exclusively.
- A significant subset of the population that formerly used heroin now prefers narcotic analgesics such as codeine.

6. The swings in heroin availability over the last 10 years or so have not occurred evenly throughout the United States. Because the trafficking networks that market heroin have much better access to some US

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US Supplies of Heroin

	Event	Major Suppliers	Use Cycles
1970	<input type="radio"/> Turkish-French connection strong	<input checked="" type="radio"/> Mainly Turkish with 10 to 15 percent from Golden Triangle and perhaps a similar share from Mexico	<input type="radio"/> Peak
71			
72	<input type="radio"/> Turkish-French connection disrupted and Turks ban opium production		
73		<input type="radio"/> Mexico emerges rapidly as the major drug source	<input type="radio"/> Trough
74			
75			
76			<input type="radio"/> Peak
77	<input type="radio"/> Mexican crop sharply reduced by eradication program		
78			<input type="radio"/> Trough
79	<input type="radio"/> Drought in Golden Triangle and bumper crop in Southwest Asia	<input checked="" type="radio"/> Southwest Asia becomes major supplier, and by 1980 Mexican heroin becomes more readily available; Golden Triangle supplies also rebound in 1982, climbing to above 15 percent	
80			
81	<input type="radio"/> Bumper crop in Golden Triangle		
82	<input type="radio"/> Bumper crop in Golden Triangle		
83	<input type="radio"/> Continued good crop in Golden Triangle		<input checked="" type="radio"/> Peak(?)

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cities than others and because, especially earlier in the decade, strong preferences existed among users for heroin from a particular source, the US market has been relatively regionalized. The clandestine nature of heroin trafficking and the strong desire to avoid arrest means that common bonds reflected in ethnic, language, and even family ties are essential to building and maintaining needed links of trust. This means that trafficking organizations are very hesitant about serving communities other than those in which they are well established or about making new connections to obtain supplies of narcotics when traditional links are disrupted. The Turkish opium ban and the disruption of the Turkish-French Connection, for example, hit the east coast hard as supplies fell off and prices rose sharply. Meanwhile, the west coast and southwest markets, traditionally served by Mexico, were little affected. Mexican heroin, as production increased,

eventually worked its way east, but this took one to two years. The opposite pattern occurred when Mexican supplies plummeted in the mid-1970s: heroin availability in the southwest and west fell off, while the east was affected only marginally.

7. Some of this regionalism may be breaking down. In particular, changes have occurred in the number and variety of trafficking networks serving the United States which may enhance their ability to fill more quickly than in the past vacuums created either by shortages of heroin from specific areas or law enforcement successes against individual networks more quickly than in the past. Southwest Asian heroin, for example, is being smuggled into the United States by Italian crime syndicates, by Lebanese traffickers, and, increasingly, by Pakistanis. Even some of the former French-Corsican traffickers are reappearing. Smuggling of Golden Triangle heroin has spread beyond

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traditional Chinese groups to include emerging alliances with southern European traffickers. Mexican heroin still is smuggled and distributed almost exclusively by Mexican networks, but these groups over the years have moved out of the southwest along with the spread of Mexican immigrants. Mexican distributors have also probably retained some of the connections they made on the east coast when they eventually responded to a heroin shortage there in the early 1970s.

Political-Economic Obstacles To Supply Disruption Efforts

8. Any supply disruption program faces a number of major obstacles to success. In particular:

- A vast amount of heroin is potentially available for diversion into illegal channels from opium poppies grown for the legal pharmaceutical market.
- If the price were right, opium poppy production could easily be expanded enough in both traditional and new areas to meet the comparatively small illicit consumption in the Western world; there are few agricultural restrictions on where it can be grown, although it would take a year or two before the necessary production skills could be transferred to new areas.
- Extraordinary revenues are generated by producing and moving illegal heroin—vastly more than can be earned any legal way by all participants in the system.
- Sufficient heroin to supply the illegal market can be smuggled in such small quantities as to make confiscation of significant amounts virtually impossible.
- Most governments in countries where opium poppies are grown for the illegal market have virtually no political or military control over the producing areas.

9. *Consumption of Illegal Heroin Versus Potential Output.* The amount of illegal heroin consumed in industrial countries is minuscule compared with the amount that could be produced either by diversion from licit production or from new plantings. About

300 to 400 metric tons of opium poppy derivatives (measured in heroin equivalent tonnage¹) are produced annually throughout the world. About half of these derivatives are sold to pharmaceutical firms, mainly for producing codeine. (See figure 2.) Most of the remaining poppy plant crop is consumed illegally (by smoking or eating) in traditional Asian societies. Only about 3 percent of total production (legal and illegal) and less than 10 percent of illicit output is shipped to industrial countries in the form of heroin. (See table 2.) The entire illicit heroin consumption of these countries could be grown from opium poppy acreage equivalent to an area smaller than Washington, D.C.

10. Industrial country illegal heroin needs thus can be satisfied by small shifts of supplies from traditional to modern societies and from legal to illegal channels. Although only minor amounts of legally grown poppy now seem to be diverted to illegal use, higher prices would probably substantially increase the flow, especially since stocks from legal production are at record levels and are likely to remain so for the next few years. The worldwide demand for legal drugs based on the opium poppy plant has stagnated since the mid-1970s despite relatively low global prices.

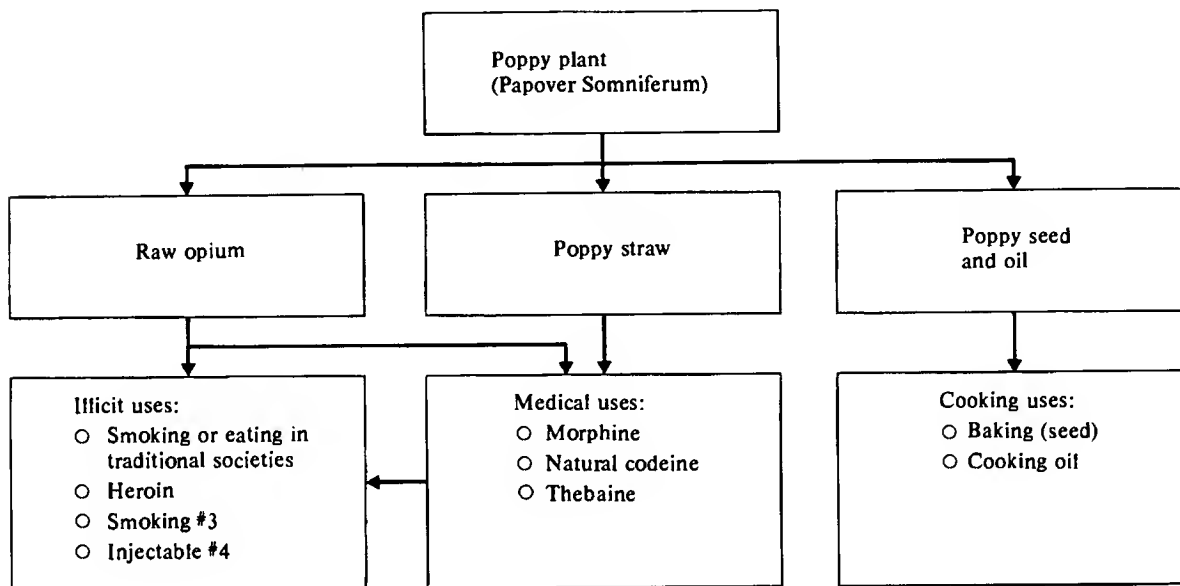
11. Although opium poppy plants mainly are cultivated in Asian regions stretching from Turkey to Laos (including the central Asian republics of the USSR) (see figure 3), they can be grown nearly anywhere. The Asian regions provide almost all the global output because of a combination of circumstances—favorable climatic conditions, longstanding traditional uses of opium poppy derivatives, and an abundant supply of cheap labor to tend the labor-intensive growing process (see inset). The concentration of cultivation, however, is influenced more by the social and economic factors than botanical necessity. Opium poppies have been grown successfully, on a commercial basis, in at least 10 US states from Vermont to California.

12. *Revenues From Producing and Trafficking in Heroin.* The production and distribution of illegal opium, morphine base, and heroin provide enormous

¹ For consistency, the amount of opium gum, poppy straw, morphine base, and heroin are all stated in their heroin equivalent weight.

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Figure 2
Opium Poppy Plant: Derivatives



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cash returns for all involved. (See table 3.) Despite the risk, the rewards available seem to bring forth an unceasing stream of the relatively few persons needed to move illicit supplies into industrial countries. Some 80 to 90 percent of the many billions of dollars in gross revenues on heroin used in the United States are earned by domestic US distributors. The remainder goes to traffickers, the laboratory operators, and to the farmers. Although the returns to the farmer are less than one-tenth of 1 percent of the street value, they are substantial from his point of view. Except when opium prices are unusually depressed, no other crop offers the same payoff. Net revenues from illicit opium poppy production are most often two to five times more than alternative legal crops. In some cases, as in parts of Afghanistan, there are no practical substitutable crops. Agricultural workers needed to tend the poppy plant are easy to obtain since they are paid up to four times their normal wage.

3. The payoffs for the smuggler bringing heroin from European laboratories to US distributors are huge, even when a "modest" threefold to sixfold return is received, and when two out of 10 shipments are seized (an extreme event). Smugglers now pay roughly \$50,000 for each kilogram at the European laboratory and receive from \$200,000 to \$300,000 in the United States. Their costs of operation (couriers, bribes, and so forth) are perhaps \$25,000. Given these numbers, the smugglers' net revenues from 10 1-kilogram shipments, with two seized, would be \$1-1.8 million.

14. *Problems of Interdiction.* Trafficking in illegal heroin is greatly facilitated by the small tonnage involved and the ability to ship heroin in parcels of almost any size or shape. Total US imports of illicit heroin have generally ranged from 4 to 6 tons a year, a minute fraction of the nearly 500 million tons of goods

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Table 2
Opium Poppy Plant:
Global Production and Use ^a

Metric tons

Production ^b	
Mainly licit	
India	100 to 130
Turkey (poppy straw)	40 to 90
Other (poppy straw)	50 to 80
Subtotal ^c	200 to 250
Mainly illicit	
Golden Triangle	30 to 50
Southwest Asia	70 to 140
Mexico	1 to 2
Subtotal ^c	100 to 150
Total	300 to 400
Use	
Licit-global	
United States	40 to 45
Illicit-industrial countries	
United States	4 to 6
Western Europe	4 to 6
Other industrial countries	2
LDCs (mainly Asia) ^d	120 to 200
Total	300 to 400

^a Approximate tons of potential pure heroin equivalent, average annual rate from 1973 to 1983.

^b Range of normal harvests.

^c Does not add because lows and highs in individual producing areas do not occur simultaneously.

^d Includes changes in stocks (both licit and illicit).

brought into the United States annually. That small amount of heroin also could be smuggled in by one-hundredth of 1 percent of the more than 200 million persons entering this country each year, assuming each trafficker carried a half pound. Given these numbers and the multitude of possible smuggling routes, the chances of confiscating more than a small portion of illegal heroin are nil. Most estimates indicate that less than 10 percent of the heroin smuggled into the United States is seized at points between the border and the consumer. Border interdiction of heroin is much more difficult than such bulky contraband items as arms, marijuana, liquor, and cigarettes.

15. Constraints on Governments of Producing Countries. Attempting to suppress opium poppy cultivation is generally very costly for producing country

Opium Poppy Plant: Factors Affecting Production

The opium poppy plant is best suited to warm but not humid climates. Thus the poppy is most often grown in sometimes irrigated flat terrain in mountain valleys, 3,000 or more feet above sea level.

Opium yields fluctuate widely with weather conditions. A fourfold difference in output can occur depending upon whether there is a drought or ideal growing conditions. In addition, although the poppy plant requires only a moderate amount of water before and during the growth cycle to ensure profitable yields, rainfall during the harvest period can be disastrous because it leaches alkaloids from the pod.

Poppy farmers from Turkey through India seldom devote more than 1 hectare to the crop. In these producing countries, the farmers use the major part of their land to produce food for their own needs, chiefly wheat.

In some producing areas of the Far East, poppy acreage represents a larger portion of the cropped land. Some of the Meo hill tribes of northern Thailand, for example, pursue a slash-and-burn type of agriculture where half or more of the cropped land may be in poppy and the remainder in upland rice.

Mexican farmers until the mid-1970s planted poppy on about a third of a hectare but even these small plots have been reduced to less than a 20th of a hectare since a major eradication program.

governments.² The economic costs for crop eradication and/or substitution programs are great because of the sizable resource commitment needed (especially manpower and equipment such as helicopters) and the income lost, since no other crop can generate the same revenues as narcotics. If heroin production in the country is protected by extensive payoffs to government officials, the potential economic loss to those officials would also act as a deterrent to establishing an effective crop suppression program.

² Most of these constraints also affect the ability of governments to control the production of other drugs. SNIE 8/80-83, 28 June 1983, *Implication for the United States of the Colombia Drug Trade*, discusses these factors as they relate to Colombia's efforts, for example, to control the production of marijuana and cocaine.

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Figure 3
World Opium Producers and Major Smuggling Routes

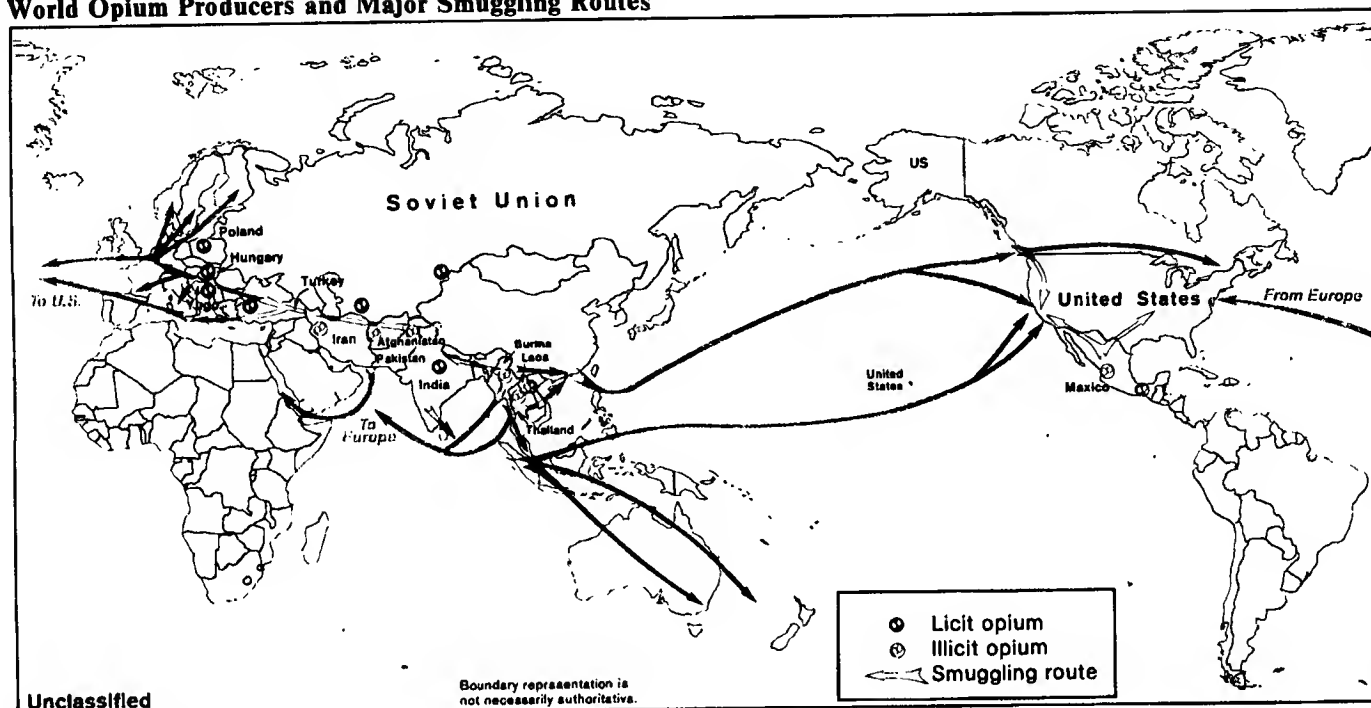


Table 3
Income From Illicit Heroin *

	Asian Heroin		Mexican Heroin	
	Profit	Percent of total	Profit	Percent of total
Farmer	\$300 to \$2,000	Less than one-tenth of 1 percent	\$20,000 to \$30,000	1 to 1.5
Middlemen (from farmer to heroin laboratory operator)	\$350 to \$9,000 ^b	Up to 0.5	\$10,000	0.5
Laboratory operator	\$8,000 to \$50,000	0.5 to 2.5	\$60,000 to \$70,000	3 to 3.5
Middlemen (from laboratory operator to major distributor in the United States)	\$150,000 to \$200,000	7.5 to 10	\$300,000	15
Middlemen (from major distributor to middle-level distributor)	\$250,000 to \$300,000	12.5 to 15	\$400,000	20
Middlemen (from middle-level distributor to user)	\$1.4-1.8 million	75	\$1.2-1.4 million	60
User price	\$1.8-2.3 million			

* Approximate gross profits involved in 1 kilogram of pure heroin or equivalent as of December 1982.

^b The closer the laboratory to the final consumer, the higher the amount.

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16. The political costs can be even greater. If the producing areas in the country are populated by government supporters or, at least, those not in opposition, there is the risk of stimulating active political opposition by moving against their livelihood. If, as is more often the case, the areas where opium is grown and processed are not under effective central government control, the political costs of attempting to extend the government's reach to the point where it could suppress production could be civil unrest, or even insurrection, in those areas.

17. These economic and political costs, while they inhibit government efforts to combat narcotic production, do not always prevent them if sufficient political and economic incentives favorable to undertaking suppression programs develop. Foremost among these positive incentives is a realization by the government that it *needs* to extend its control over the producing area for its own political reasons. In a few cases, heroin addiction may be developing into a domestic problem severe enough to weigh in favor of such a decision. More often, the government is persuaded that the area has to be brought under effective control because it harbors armed political opposition, guerrillas, or some other unacceptable challenge to central authority. In addition, international pressure against illegal drugs has been growing, so that government officials from most illicit opium producing countries have indicated they feel increasing opprobrium from continuing to be a source country. If these factors strengthen the political motivation sufficiently, the willingness to bear the economic costs of at least initiating crop suppression often follows, especially if external assistance is available.

Prospects for Reducing Heroin Through Supply Reduction

18. The chances are not good that the amount of heroin now entering the United States can be significantly cut in the next few years by supply reduction programs. Unlike the situation in the 1970s in Turkey and Mexico, the governments of the countries in the primary heroin source areas do not possess the resources to mount significant supply reduction programs and, even if they did, several probably do not possess the will to use them effectively because of the

political costs that would be incurred. In retrospect, for example, it appears that the conditions that pertained in Turkey at the time of the opium ban and that have continued to keep domestically produced Turkish opium off the illegal market for a decade would be extremely difficult to replicate in another country:

- Opium has generally not been used as a narcotic in Turkey so that its cultural significance is less than in growing areas where narcotics use is deeply engrained.
- Turkish governments have a history of carrying out harsh sanctions when disobeyed; their rhetoric tends to be believed, and they have adequate control over growing areas to enforce their will.
- An economically viable substitute was available for Turkish opium farmers. Profits from selling poppy straw to the government are not as great as producing opium gum that can be sold for conversion into heroin, but growing opium poppies still can produce cash.
- The military government which took Turkish opium off the illegal market in 1972 had strong political reasons to move against opium farmers: these producers mainly supported the out-of-power, left-of-center parties, and the military believed narcodollars were financing gunrunning to terrorist groups who were challenging the regime. The producers could be affronted without major political cost to the government.
- Turkish opium smugglers had little incentive to push for renewed domestic opium gum production after the military government stepped down, since relatively large and cheap supplies were available to them from Southwest Asia.

19. Few of these conditions exist or are likely to develop soon in Southwest Asia or the Golden Triangle. Moreover, some important underpinnings for successful pursuit of narcotics suppression activities in Mexico, where the political, social, and economic environment has been more favorable, are changing. In the past, the strength of the ruling political party and years of political stability under the unifying symbol of the Mexican Revolution have permitted the central government to act effectively when it chose to

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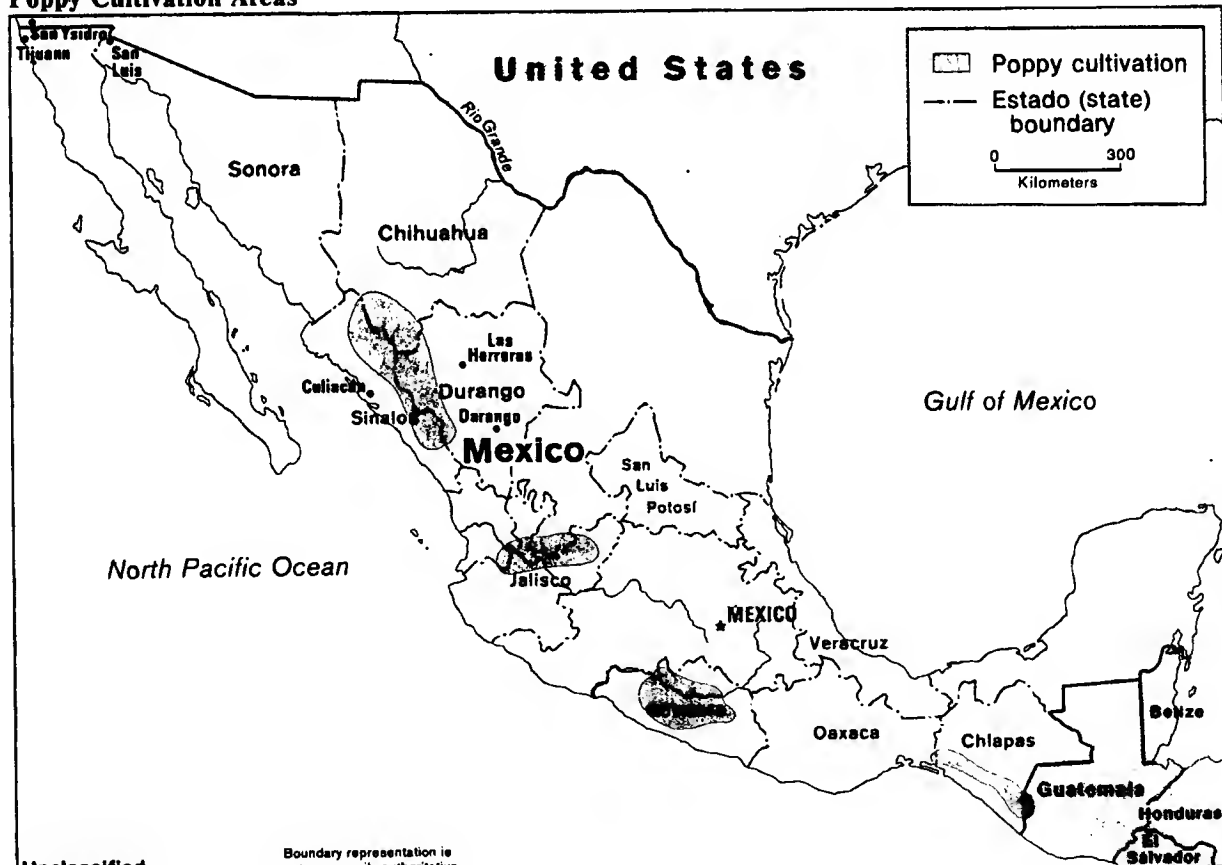
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do so, even in the most remote regions. In addition, opium has no tradition of use as a narcotic by rural Mexican society, and heroin is rarely used by the burgeoning modern urban class, although this group does consume large quantities of illegally obtained synthetic drugs. Finally, until recently the Mexican Government has had economic resources to spend on narcotics suppression because of its enormous intake of petrodollars.

20. *In Mexico.* Even before Mexico entered its current economic crisis, however, it had begun to experience increasing difficulties in containing opium poppy cultivation. Poppy farmers learned to circumvent eradication efforts by developing techniques which make their fields harder to find and their

poppies more difficult to kill. In addition, poppy cultivation spread beyond the traditional area of Durango and Sinaloa into new regions, including the states of Veracruz, Chiapas, and San Luis Potosi. (See figure 4.) Moreover, even though the government had been willing to move decisively against the politically weak farmers when it began a serious poppy eradication program in 1975, Mexico's federal law enforcement officers did little to disrupt the major Mexican drug smugglers, their laboratories, and their distribution networks. The continued existence of these well-organized, powerful smuggling organizations together with the improved production techniques of Mexican poppy farmers suggest that the Mexican Government would have had to improve its eradication program simply to attempt to keep production from rising. The

Figure 4
Poppy Cultivation Areas



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government has succeeded in preventing heroin production from returning to the multiton levels of the mid-1970s. Nonetheless, production has increased somewhat since 1979 and has remained at about 1.5 tons or slightly higher for the last two years. Preliminary indications are that 1983 production will be in the same range.

21. The big danger for Mexico is that the country's present dire economic circumstances are conspiring to boost the incentives for growing opium poppies while simultaneously constraining the government's ability to expand its eradication program. A crop that can generate cash will seem very attractive to Mexican smugglers and farmers at a time when most other sources of foreign earnings are contracting and when farm income is slipping. The Mexican Government's need to hold to a severe austerity program in order to be able to service its massive international debt, however, limits the amount of resources it can afford to devote to crop suppression programs. Increased external assistance from the United States could provide some additional resources, but it would probably not obviate the need for some increase in Mexican manpower, logistic support, and local funding if the eradication program were to be significantly expanded. In addition, competition for resources is likely to increase bureaucratic infighting among the Mexican agencies involved in crop suppression, potentially decreasing the efficiency of government efforts. Moreover, the Mexican Government may be limited in how much external assistance it can accept without affronting strong nationalistic feelings among Mexican politicians.

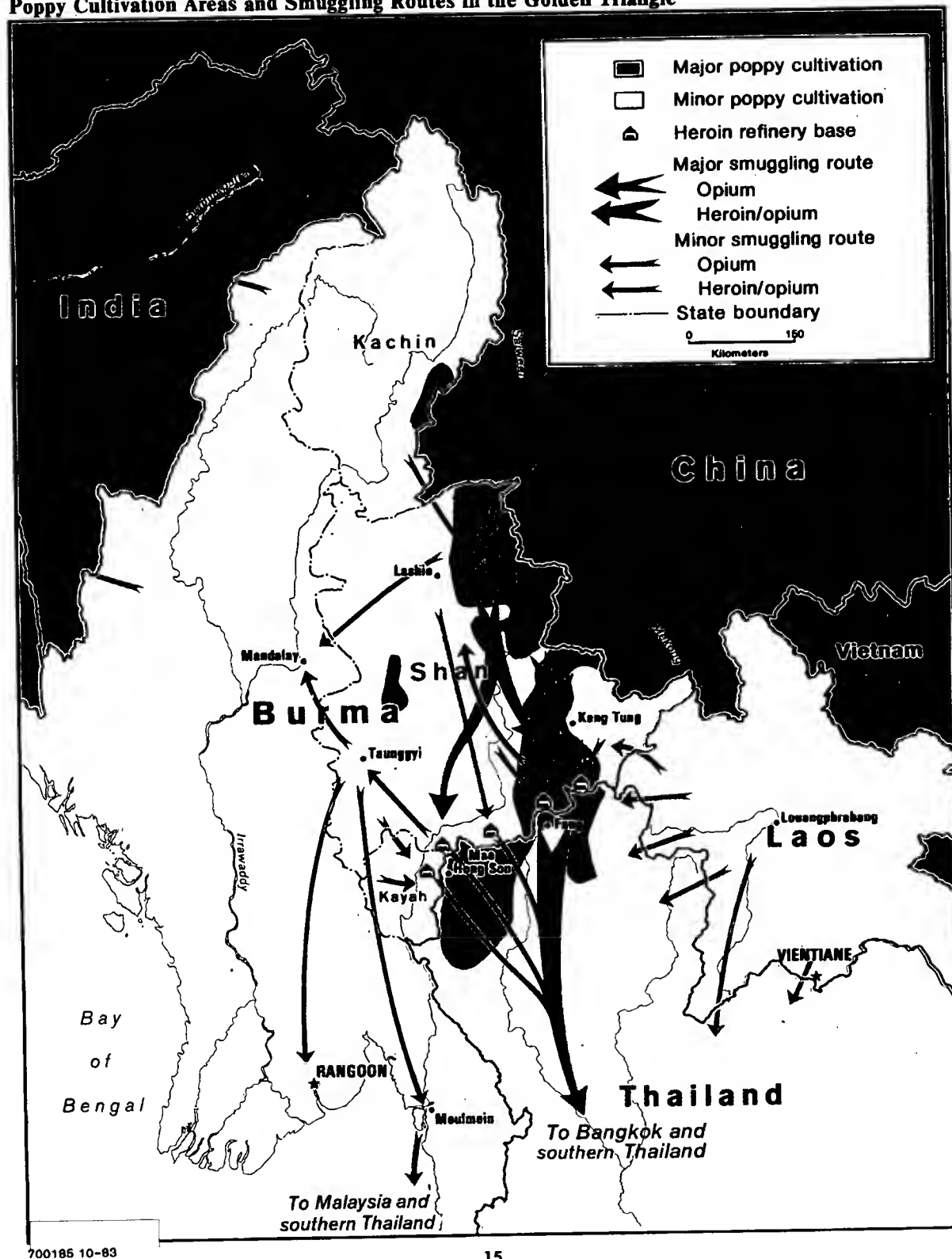
22. In sum, there is little chance that, in present economic circumstances, the Mexican Government can afford to increase significantly the resources it spends on this program or that US Government aid will lead to a greatly expanded effort. Consequently, the outlook for Mexican heroin production, under the best circumstances where the government maintains the eradication program at about its present level, is for heroin output to remain at about 1.5 tons or slightly higher. If, despite good intentions, economic stringency forces the government to cut back resources devoted to crop suppression, the situation could worsen considerably since Mexican heroin production is probably capable of expanding fairly rapidly.

23. *In the Golden Triangle.* The possibility that the governments in this area can substantially reduce the amount of opium grown in the region are minimal, primarily because the central governments exert so little control over most of the main growing locales. In 1982, an estimated 600 tons of opium were harvested in Burma, while Thailand and Laos produced 57 and 50 tons, respectively. The primary problem in Burma is that the states in which opium is grown—Kachin, Kayah, and especially the Shan state in eastern Burma—are to varying degrees insurgent-controlled and have been for years. (See figure 5.) Moreover, opium represents a way of life for most of the people who grow it and use it, and is the principal source of revenue and, therefore, arms and other supplies for the insurgent groups in the area. While the Burmese are considering an ambitious eradication program, including aerial herbicide spraying in insurgent areas, it is doubtful that they could develop either the technical or military capability to reduce opium production significantly in these areas. In addition, there is conclusive evidence that high-level Burmese Government and military officials, including some of those directly responsible for government narcotics suppression programs, have profited from protecting drug traffickers. The Burmese Government is making some efforts to purge these corrupt officials, but corruption appears to be so widespread that major doubts remain about how effective any Burmese Government program to combat growing and processing opium can really be.

24. The Thai Government has to a limited degree supported crop substitution programs, but these have had little impact so far on production. It has also moved vigorously against laboratories that convert opium into heroin, particularly those of the Shan United Army on the Thai-Burmese border. This has had the effect of pushing the laboratories deeper into Burma and into southern Thailand. It has also opened the way for other tribal and insurgent groups, including the Burmese Communist Party, to move from just growing opium poppies into processing heroin. Thai military action seems also to have disrupted some of the traditional routes for smuggling heroin through Thailand to the international market, but these routes were quickly replaced with others.

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Figure 5
Poppy Cultivation Areas and Smuggling Routes in the Golden Triangle



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25. The Laotian Government has shown little interest in suppressing opium poppy cultivation or exports. In any case, the amount produced in Laos (and in Thailand) is so small relative to what is harvested in Burma that suppressing the crops in both countries would have virtually no impact on the quantities of opium available from the Golden Triangle for the international market as long as Burmese production is not significantly reduced.

26. *In Southwest Asia.* More illicit opium—some 650 to 925 tons—was produced in this region in 1982 than anywhere else in the world. Because of the political, economic, and security demands they face, it is unlikely that the governments of this area will or, in most cases, can bring to bear the resources necessary to reduce narcotics exports from the region. The primary producer for the export market in 1982 was Afghanistan, which exported an estimated 130 to 190 tons of opium to the international market. The Soviet-backed Karmal regime there is devoting little attention to the narcotics problem. Moreover, most production occurs in areas beyond its control. So far, military operations in these areas do not appear to have significantly disrupted crops, and we do not believe the Soviets or the Afghan Government will expand their control in these insurgent-dominated regions enough to reduce future opium production. The insurgents in these areas, mostly fiercely independent tribesmen who have long engaged in opium cultivation, have no incentive to cut back, since sales of opium provide them with badly needed income not available from any other source.

27. The Pakistani Government moved only haltingly against the narcotics problem until late 1982, when some important officials began to evince a much greater interest in developing antinarcotics programs. Convinced that Pakistan faced a burgeoning heroin abuse problem of its own and under pressure from Western narcotics officials, they attempted to put new pressures on tribal leaders in the main producing areas of Pakistan to put a stop to opium cultivation and heroin trade. These areas, however, are mostly along the frontier with Afghanistan in the North-West Frontier Province (NWFP), which is only partly under provincial or federal government control. (See figure 6.) Some heroin conversion laboratories were reported-

ly closed as a result of government pressure, but the longer term effects on the narcotics trade are likely to be only minimal. Tribal leaders will probably be unwilling to enforce antidrug measures if it appears, as is likely, that such actions will economically hurt their tribe and benefit another. In addition, the heroin laboratories are difficult to detect and easily moved, including possibly across the border into Afghanistan if necessary. Finally, the federal government is unlikely to mount its own sweeping antinarcotics drive in the NWFP because the violence likely to accompany such action could further disrupt the area's already weak economy, destabilize the Afghan refugee situation, and provoke hostilities from the militant Pushtun tribes.

28. Iran is the largest opium producer in Southwest Asia, exporting a small portion of its crop through Turkey to Europe and the United States. Overall, however, it probably has been a net opium importer, because it relies heavily on surplus production from Afghanistan and Pakistan to meet the needs of its large user population. The Iranian Government's antinarcotics program is ineffective because of lack of resources and the organizational deficiencies of those parts of the bureaucracy responsible for narcotics control, civil disorder in some parts of the countryside, and lack of government control in some border areas. None of these conditions is likely to change in the near future, leaving Iran a question mark as to how much of its production is potentially available to the international market if other sources of heroin dried up and prices rose significantly.

29. *In Other Countries.* Very little illicit heroin now enters the United States from countries other than Mexico and those in the Golden Triangle and Southwest Asia. Under the right market conditions, however, this situation could change. There is the danger, for example, that if supplies from a current producer were drastically reduced and other current sources did not pick up the slack (thereby raising the price of heroin significantly), a portion of India's vast licit production of opium might be diverted into illegal channels. Although India's 1982 opium production dropped to 700 tons as New Delhi tried to reduce mounting stocks that have resulted from stagnating world demand for licit opium, it has generally produced some 1,000 to 1,300 tons of opium each year for conversion to

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Figure 6
Poppy Cultivation Areas and Smuggling Routes in Southwest Asia



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pharmaceutical products. Only a tiny fraction of this amount (40 to 60 tons) would be needed to supply the entire US heroin market. The facts that India already has well-established trafficking organizations which, for example, supply a depressant, methaqualone, to South Africa and that the country recently has become a transit point for heroin from the Golden Triangle and from Southwest Asia to western markets point up this danger. A second market change that could cause the diversion of Indian production from licit to illicit channels would be a major shrinkage of world demand for pharmaceutical products made from opium poppies. Indian farmers would strongly resist government efforts to force them to cut back on the amount of opium now sold. They could probably fairly easily begin to underreport the acreage they plant in opium

poppies and divert this part of their crop to the illegal market.

30. Because of the wide range of agricultural conditions under which opium can be grown, it would also not be surprising if other countries started to produce heroin if world demand began to outstrip supply. Those countries most likely to move in this direction would be ones in which there are (a) a supply of cheap agricultural labor, (b) rural areas over which the government has little control, and (c) established trafficking networks which could add heroin to the line of products they already market. Two countries where these conditions pertain, for example, are Lebanon and Colombia. Lebanese traffickers already move Southwest Asian heroin, and it is conceivable they

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could develop their own production capabilities if their present sources of opium became unavailable. Colombian drug networks, which already produce cocaine and marijuana and traffic in methaqualone for the US market, might also diversify into heroin under the right circumstances.

Implications for US Heroin Supply Disruption Policies

31. In the next few years, the United States will be hard pressed even to contain the amount of heroin entering this country let alone to reduce it significantly through supply reduction programs:

- Governments that have the political muscle to cut sharply illicit opium poppy production—Turkey and Mexico—have already done so. Even holding the line will be a problem in Mexico because of pressures the government will be under to divert resources now going into crop eradication programs to what the Mexicans are likely to perceive as higher priority uses.
- Abundant supplies from the Golden Triangle will be available from recent bumper crops, and amounts available from Southwest Asia (particularly Afghanistan) are not likely to diminish significantly.
- Large excesses of licit supplies will exist, especially in India, and these will be a tempting source for the illicit market.
- Disrupting supplies by enforcement action against trafficking networks will not be as easy as in the 1970s because there are many more small, independent networks now than in the past. To achieve a dramatic reduction similar to what happened when the French Connection was broken up would require the simultaneous disruption of a large number of those networks.
- Many of these traffickers probably have developed—or could develop more easily than in the 1970s—distribution capabilities in more than one regional market in the United States. As a consequence, it is possible that shortages in one region could be much more quickly made up by supplies from another area than in the past.

32. Despite this prognosis, there are three reasons for continuing to pursue foreign supply disruption programs. First, there is no way of calculating whether and how much additional heroin might flow to the United States if they ceased. No one can predict precisely where the upward limit on heroin consumption might be. Consequently, at least some risk exists that heroin use in the United States would rise significantly in intensity and possibly in magnitude if the retail price dropped sharply because our market was flooded by supplies of this opiate.

33. Second, they are an important symbol. US leadership in pushing bilateral and international supply reduction programs provides an important indicator of the depth of US concern about the societal harm caused by the drug. Particularly as heroin abuse increases as a social problem in Western Europe and other countries (such as Pakistan) with which the United States has close ties, these governments will probably look to the United States for closer cooperation on narcotics suppression matters. Not maintaining US initiatives for joint and international supply reduction programs in these circumstances would probably raise serious questions concerning US sincerity about combating heroin abuse.

34. Third, with the rising concern among West European governments over increasing heroin abuse, the conditions are improving for even closer joint intelligence and law enforcement action against the same trafficking networks that often supply both Europe and the United States. The West Europeans have also become more willing to encourage crop suppression efforts in source countries, adding to already growing international diplomatic pressures on the governments of those countries and possibly to the resources available for crop eradication, substitution, and interdiction programs there. While there is little chance that these efforts will significantly reduce heroin availability in the United States over the next few years, they provide some hope that the participants in the poppyfield-to-street-market heroin chain can be kept under enough pressure to limit growth in future supplies.

35. One other possible approach which might—although probably not within the time frame of this

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Estimate—improve capabilities for inhibiting trafficking of heroin to the United States involves disrupting narcotics-generated financial flows. Attacking these flows through combined intelligence/diplomatic/enforcement actions conceivably could reduce profits

and raise risks to trafficking organizations sufficiently to diminish their enthusiasm for supplying the US market. The Intelligence Community is actively studying the feasibility and implications of attempting this approach.

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Prospects for Reducing Heroin Supplies to the United States

National Intelligence Estimate
Volume II—Annexes

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NIE 8-2-83
27 September 1983

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**PROSPECTS FOR REDUCING
HEROIN SUPPLIES TO THE
UNITED STATES**

VOLUME II—ANNEXES

Information available as of 15 September 1983 was
used in the preparation of this Estimate.

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THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS.

The following intelligence organizations participated in the preparation of the Estimate:

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organizations of the Departments of State and the Treasury.

Also Participating:

The Assistant Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Director of Intelligence, Headquarters, Marine Corps

Intelligence units in the Drug Enforcement Administration, Department of Justice, and in the United States Customs Service, Department of the Treasury, also participated in the preparation of this Estimate.

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SCOPE NOTE

Heroin consumption may be on the rise again in the United States after it had leveled off at about 4 tons or so a year in 1980 and 1981, with around 500,000 addicts. In other parts of the world, consumption and addiction have been steadily increasing. It is estimated, for example, that in 1982 there were some 250,000 heroin addicts in Western Europe, 50,000 in Pakistan, and 25,000 in Australia, all up considerably in the last few years. As their addict population rises, these and other countries are wrestling with the question of how to combat the heroin problem in both its foreign policy and domestic dimensions.

Since the problem came earlier to our country, US administrations for over a decade have been attempting to pursue an explicit foreign policy to cut heroin flows into the United States. In the main, that policy has focused on reducing supplies of heroin as close to the growing source as possible, primarily through programs to eradicate opium poppies (the raw material from which heroin is made) but also including interdiction of supplies and arrests of traffickers. The purpose of this two-volume study is to examine what overall impact the US supply reduction program has had on heroin usage in the United States, what the prospects are for reducing supplies to the United States in the next few years, and what the implications are of pursuing current US supply reduction policies. Volume I provides a general overview of the problems, prospects, and implications of the US program to reduce heroin supplies. Volume II contains supporting material in the form of case studies of past instances of heroin supply reductions from Turkey, Mexico, and Southeast Asia.

This study does not treat the demand side of the heroin use equation, an aspect of any overall strategy to reduce heroin consumption that is at least as important as cutting supplies. It also does not delve into the financial aspects of heroin trafficking, a complex subject which will be dealt with in future studies of narcotics-related financial flows. In addition, the study focuses exclusively on heroin, and its conclusions do not apply necessarily to the prospects for reducing supplies of other drugs, such as marijuana and cocaine.

The statistics used in this paper, as with virtually all numbers in the drug area, must of necessity be read as midpoints on estimated ranges, not as hard figures. Nonetheless, we believe they are accurate enough to show direction of change and magnitude, and to support the conclusions of the study.

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ANNEX B

THE MEXICAN CASE

Introduction

History of Opium Production in Mexico

1. Mexico has supplied narcotics to the US market since at least the last half of the 1910s. By the late 1940s, according to Drug Enforcement Administration (DEA) records, Mexicans produced smoking opium, morphine, and small amounts of brown heroin. By the early 1960s, Mexico had also become an important drug transit country. Cocaine from South America and European white heroin were transported into the United States by Mexican narcotics traffickers, who developed sophisticated smuggling and distribution methods for the growing US drug market. By the late 1960s, Federal narcotics enforcement agencies began to seize increasingly larger amounts of US brown heroin produced from Mexican-grown opium poppies.

2. The major breakthrough for Mexican heroin producers occurred in 1972-74 when Turkish heroin, as a result of successful law enforcement action against the French connection and Turkey's opium growing ban, largely disappeared from the US market. Local Mexican heroin production, generally perceived by the US Government to that point as relatively small and of mediocre quality, increased in both quantity and purity. Poppy cultivation spread from the remote mountains of Sinaloa, and intense planting was seen from the southern portion of Sonora to the state of Oaxaca. By 1974, Mexican heroin filled the gap left by the reduced availability of Turkish heroin everywhere but on the east coast of the United States. By 1975, Mexican brown heroin was dominant even there.

3. In essence, Mexico had become almost the only source for heroin in the United States, and addicts had to buy it or switch to other drugs. Mexican producers also responded to the requirements of the US market and increased the quality of their product. Consequently, hardcore addicts' preference for white heroin began to decline as Mexican "mud" increased in purity and quantity, and became cheaper than white

heroin. [redacted] Mexican heroin prices dropped in the early 1970s and stabilized in 1974-75 at about 39 centers per milligram, considerably lower than the white heroin average price of 57 cents to 66 cents.

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Eradication Efforts

4. Until the mid-1970s, the Mexican Government did little to suppress narcotics production and trafficking. Mexico was a signatory of the Hague Opium Convention in 1911-12 and later signed an agreement at the 1931 General Conference of the Geneva Opium Convention to limit narcotics at their source. Mexican Government officials, however, often accepted bribes to ignore trafficking and sometimes were even more directly involved. In June 1931, for example, the Mexican Minister of Government resigned after being accused of complicity in the drug trade.

5. In 1947, the Mexican Government established a small poppy and marijuana eradication campaign (using an aerial poppy survey conducted with the participation of the US Federal Bureau of Narcotics the previous year) that destroyed 200 poppyfields covering an area of 36.5 hectares. Six years later, the Army had assigned 12 military units to poppy and marijuana eradication in Sinaloa, Chihuahua, and Durango. These troops manually eradicated fields of poppy plants which had been located by light fixed-wing aircraft. Small Army helicopters were used beginning in 1962 to locate fields and direct ground eradication troops. Moreover, the Mexican Federal Judicial Police (MFJP) established bases at border crossing points and on transportation routes in Mexico in an attempt to intercept narcotics traffickers.

6. In 1968, a pilot project was initiated to spray poppyfields with herbicide from helicopters. The herbicide resulted in a quick kill, but the delivery system carried by the helicopters was too primitive to guarantee eradication, and the project was not continued

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beyond the pilot stage. During this campaign, however, the Army successfully used helicopters to transport troops to increasingly remote field locations.

7. In the late 1960s, as Mexican heroin and marijuana flooded US markets, [REDACTED]

[REDACTED] Although there was no evidence of widespread heroin addiction in Mexico, Mexican officials had begun to worry about the domestic abuse of marijuana. An enforcement program which reduced marijuana availability in Mexico and also reduced exports of heroin to the United States thus had both domestic and international advantages.

9. Problems arising from narcotics-generated money also may have given impetus to Mexico's anti-narcotics campaign. The sudden influx of drug money into rural society, according to some observers, caused serious inflation and created a lawless subsector of drug traffickers who began to gain considerable political influence in the narcotics-producing and trafficking regions, and who owed loyalty to narcotics organizations rather than to the Mexican Government. The increasing influence of these criminals among state and local politicians may have contributed to the Mexican Government's eventual decision to begin a more effective antinarcotics program.

Prices, Volume, Quality in the US Market Before the Disruption

10. Because of local trafficker and addict preference for white heroin, Mexican heroin penetrated the US market slowly, taking from 1972 to 1975 to move from the traditional markets along the Texas-C(b)(1) nia/Mexico border, through the interior of the l(b)(3) States, and eventually to the northeast coast. Another constraint to expanding Mexican-US heroin trade may have been difficulties encountered by Hispanic traffickers in entering non-Hispanic markets. [REDACTED] (b)(1) [REDACTED] east coast traffickers' heroin supplies (b)(3) low in 1975. In order to buy Mexican heroin, these predominantly Italian or black drug traffickers had to make contacts in the local Latin community. The establishment of a heroin source outside usual ethnic acquaintances was difficult and dangerous, and it was handled with caution. Some of the delay in Mexican heroin market penetration may have been caused by the time and care expended establishing these contacts.

11. In the absence of significant competition, however, Mexican heroin gradually took over the US market. By 1973, more than half the heroin in the United States was Mexican. By 1975, [REDACTED] (b)(1) that as much as 85 percent of the heroin consumed (b)(3) the United States that year was produced from opium grown in Mexico. The "Golden Triangle" of Southeast Asia supplied about 15 percent of the US heroin market. Very little, if any, heroin from Southwest Asia entered the US market at that time. (See figure B-1.)

**Mexican Heroin Production in
Pure Metric Tons, 1969-75**

1969	1970	1971	1972	1973	1974	1975
0.19	0.16	0.17	2.46	3.74	5.42	6.5

Trafficking Networks

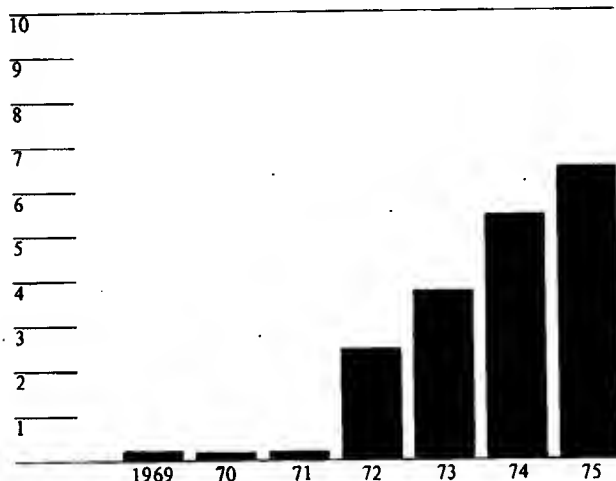
12. Most narcotics trafficking from Mexico into the United States has been conducted by small organizations and individual entrepreneurs. [REDACTED] (b)(1) [REDACTED] in 1976 there were some (b)(3)

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Figure B-1
Mexican Heroin Production in Pure
Metric Tons, 1969-75



Unclassified

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over 100 small heroin trafficking organizations (composed of perhaps 1,000 individuals), responsible for smuggling about one-fourth of the Mexican heroin that entered the United States. Associates, couriers, and smugglers subordinate to these organizations, but operating independently, were probably responsible for another fourth. Another 1,000 "free lancers" and a few (perhaps as many as five) large organizations accounted for the other half of the Mexican heroin brought into the United States in the mid-1970s. [redacted]

[redacted] the large Mexican trafficking organizations probably smuggle less than 20 percent of Mexico's yearly heroin production. They also deal in cocaine and marijuana, however, so that their combined illicit drug business is probably larger than any of the independent dealers who may traffick in larger quantities of heroin. In addition, their control over all aspects of heroin production and marketing—from the poppy farms in Mexico to retail street sales in the United States—allows them to operate efficiently, producing high profits margins on relatively low volumes of drugs.

13. Trafficking groups in Mexico have been largely familial in structure. Some poppy-cultivation areas, such as those north of Durango city, were controlled

by large families that intermarried and stayed in the area to become a controlling clan [redacted]

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14. Smaller trafficking groups, working mostly out of the city of Culiacan, were more numerous but less organized. They bought opium from middlemen, who had procured it from farmers, and contracted with independent chemists to convert the opium to heroin. These small groups arranged delivery to wholesalers and smugglers on the Mexican side of the border, who would in turn sell to US smugglers, usually in the Tijuana or San Luis areas.

The Disruption

15. By the early 1970s, heroin production in Mexico was increasing by about 50 percent a year. By 1975,

[redacted] Mexican heroin production had reached 6.5 metric tons and the purity of the [redacted] average street-level dose of Mexican heroin in the United States had increased to an almost lethal level.

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21. Although the eradication campaign accounted for almost a 40-percent decrease in heroin production for the first year of operation, prices remained stable at first. Nationwide quarterly averages ranged between \$0.31 and \$0.49 per pure milligram of heroin. The distance between farmgate and user market may account for this price lag, since [redacted] takes about three to four months for opium converted into heroin and shipped to US user markets. US average heroin prices began to rise in the last quarter of 1976 and took a dramatic upswing in the first quarter of 1977 as the effects of reduced opium supplies began to be felt.

22. The 1977 eradication campaign reduced opium supplies an additional 25 percent, and US heroin prices continued to increase. By the first quarter of 1978, a milligram of Mexican heroin on the average cost over a dollar nationwide—although it had cost more than a dollar on the east coast since the last quarter of 1976.

Changes in User Community

23. The drop in availability of Mexican heroin from 1976 to 1979 affected the US heroin user community. First time users and the amount used by younger people probably decreased, and many addicts entered drug treatment programs. In particular, Hispanics entering drug treatment programs rose from 14 percent of all entrants in 1975 to almost 20 percent in 1980.

24. The decline in the availability of heroin in this period also affected the overall pattern of drug usage. There was a shift to heroin substitutes, including such synthetic narcotics as Dilaudid, oxycodone, and pentazocine. Multiple drug usage also increased as heroin addicts learned to take heroin in combination with other substances (such as cocaine or marijuana) or to combine synthetic narcotics with other drugs. One popular combination, for example, is known on the street's as "T's and Blues." Talwin, the "T" portion of the combination, is the brand name for pentazocine, a potent analgesic and a Schedule IV controlled substance. The "Blues" portion of this drug combination, pyribenzamine, is a noncontrolled antihistamine. The most common method of abuse was to dissolve a tablet

Short-Term Impact on the US Markets

Price, Quantity, and Quality

20. The poppy eradication campaign was a clear success in the first few years. Opium production decreased 85 percent from 1975 to 1979. [redacted] the US street purity of Mexican heroin fell from a high of 6.1 percent in 1976 to well below 4 percent by 1979. At one point, the purity of Mexican heroin dropped so low in some cities that addicts switched to synthetic drugs.

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of Talwin and a tablet of pyribenzamine together and inject the solution. The effect was described by addicts as similar to an injection of heroin. Addicts came to like "T's and Blues" since the products were pharmaceutically pure, consistent in potency, and readily available. In addition "T's and Blues" were abundant and cheap (compared with heroin), and traffickers could anticipate lighter sentences if caught, since Talwin is only a Schedule IV substance.

25. This changed pattern of drug usage is reflected in DAWN statistics on drug-related deaths from 1975 through 1978. During that period deaths from heroin fell steadily from 1,789 to 501, while deaths from other narcotics, various depressants, amphetamines and other stimulants, cocaine, and cannabis rose almost every year.

Longer Term Effects

26. By 1979, Mexican opium and heroin producers and traffickers had lost their dominant position in the US heroin market, but the decline in Mexican opium production stopped. This happened because, among other reasons, Mexican opium poppy farmers learned how to counter the effects of the eradication program. Their response to the aerial eradication campaign was to reduce the size of their poppyfields and locate them only in the most remote mountainous areas to avoid detection. Prior to the 1976 eradication campaign, [redacted]

[redacted] poppyfields averaged 3,600 square meters in size. By 1980, [redacted] the average field covered only 400 square meters. Poppy farmers also widely dispersed their fields into rough terrain, and planted them only in narrow ravines and shadowed areas adjacent to cliffs and steep hills.¹

27. Mexican poppy farmers also developed a technique to counter the effects of the herbicide used in the spray campaign. Esteron-47, known generically as 2-4D, is a hormone that accelerates the poppy plant's growth until the plant's environment can no longer supply adequate nutriment and moisture. Poppies sprayed with this herbicide generally die in three days.

[redacted] some farmers discovered they could still harvest the poppies successfully if they washed them down or scored them

¹ As a bonus for the farmers, [redacted] poppies grown in shade produced opium gum with higher morphine content than those grown in direct light.

soon after the spray helicopters had departed. Reportedly, the residual herbicide left on the poppies stimulated growth and made the plant pump harder after scoring, which may have increased opium yield.

28. Efforts such as these probably contributed to lowering the eradication campaign's effectiveness, but potentially the most severe problem for the campaign has been spray delivery timing. Poppy plants do not mature at the same time; indeed, poppy capsules on the same plant may be in three different stages of development. As a consequence, it is extremely difficult to spray poppies at exactly the right time, when the majority of the poppies are fully mature but not yet harvested. This may account for the fact that of the many fields [redacted] in recent years, most had some opium extracted before spraying occurred.

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29. Prices for Mexican heroin in the United States changed more slowly than did quantity and purity as a result of the eradication program. Mexican poppy farmers planted fewer hectares and produced less opium in 1979 than in the prior decade, but their profit probably changed little up to that point since their product did not have much competition on US streets and heroin prices were at a high.

30. This high market price and the growing shortage of heroin attracted other potential suppliers. Pakistan, Afghanistan, and Iran increased their opium production from 1,000 to 1,200 metric tons in 1978 to possibly as high as 1,600 metric tons in 1979. Much of this opium was used or stockpiled in Southwest Asia and the Middle East, but the remainder was converted into heroin which was sent to Europe and the United States. By the end of 1979, Southwest Asian heroin began to arrive in large quantities in the northeast United States, where the drop in Mexican heroin availability had been most drastic.

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Figure B-2
Poppy Cultivation Areas



NR Record

33. The average price per pure milligram remained low during the first three months of 1980 and heroin deaths continued to be high, but by the second quarter of 1980 east coast traffickers began to realize that Southwest Asian heroin was purer than the Mexican heroin they had been receiving. The average east coast price almost doubled during the second 1980 quarter, and traffickers cut the street purity down to a "safe" injectable level, causing New York City heroin deaths to drop 87 percent.

34. In 1979, Mexico's share of the US market had dropped to 30 percent. In order to compensate for this reduction, traffickers encouraged farmers to increase production. In 1980 and 1981 Mexican opium production increased to about 15 metric tons. However, the Mexican heroin market share returned only to about

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40 percent in 1981 due to the rapid increase of better quality Southwest Asian heroin.

35. The increase in Mexican heroin production caused some Mexicans to begin a reevaluation of the eradication program. The Mexican National Coordinator for the eradication campaign stated in the Mexican press in May 1982 that if the intensity of the eradication program were to decrease, drug production would resume. A few days later, an editorial appeared in the Mexican press noting that the desire to cultivate the poppy, despite its illegality, was caused by the lack of an alternative licit crop. Since poppy cultivation is not native to Mexico—the poppy was introduced and cultivated in the 1800s by Chinese railworkers—the

editorial called for a training program to substitute legal income-producing crops. During the past several years, this concept has been proposed repeatedly, but the Mexican Government has not found an alternate crop which would grow in rugged terrain and realize the high profits of poppy cultivation. Despite calls for a more comprehensive program to discourage opium production, the Mexican antinarcotics program has changed little since 1975, even though opium production has not decreased in the last four years after the sharp drop realized between 1976 and 1979. (b)(1)
Mexico opium p/(b)(3)
duction has held steady at about 16 to 18 tons in 1981 and 1982. Preliminary CIA forecasts for 1983 indicates opium production will again be in that range.

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UNITED STATES
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WASHINGTON, D.C.

National Intelligence Bulletin

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January 23, 1975

No 638

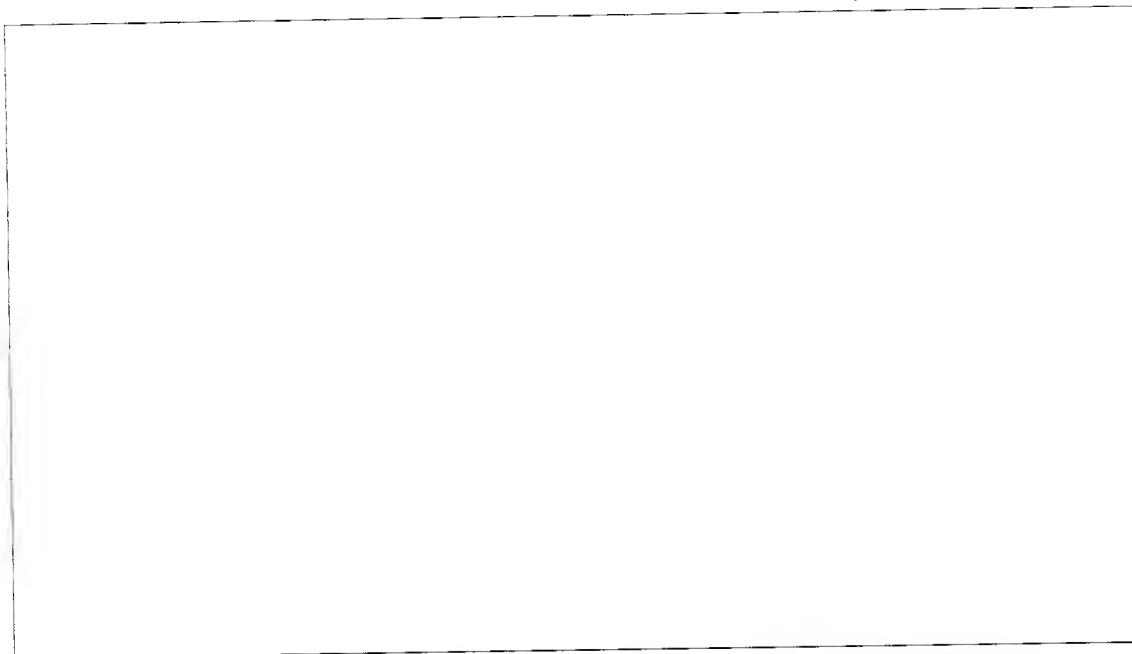
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National Intelligence Bulletin

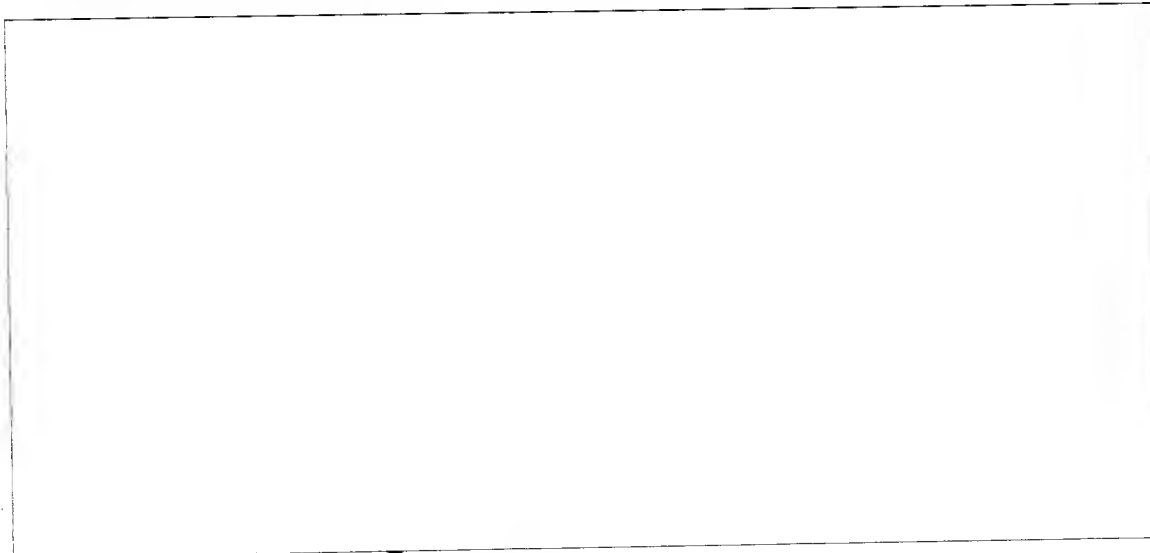
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NR Record

MEXICO: Authorities had major successes against narcotics traffickers this month. (Page 15)



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National Intelligence Bulletin

January 23, 1975

MEXICO

Mexican authorities have had major successes against narcotics traffickers this month. From January 13 through 15 they seized 232 kilograms of raw opium gum, arrested 132 people--among them the head of a large network of growers and traffickers--and destroyed one heroin laboratory. The raw opium seized could have been converted into some 23 kilograms of pure heroin.

Roughly half of the opium was seized in highway interddictions from Guadalajara northward. Much of it is believed to have come from the southwestern states of Guerrero and Michoacan, where recent campaigns against the late Lucio Cabanas' guerrilla band had prevented authorities from focusing their full attention on the poppy growers.

A larger, more productive opium-growing area is located in the northwestern states of Chihuahua, Sinaloa, and Durango. [redacted] last spring and fall revealed almost 1,500 opium poppy fields in a 750-square-mile mountainous area. It is almost certain that many more fields exist in the countryside surrounding the inspected area.

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Mexico as a whole is the leading source of heroin smuggled into the US. Roughly 60 to 70 percent of the heroin seized or purchased clandestinely by narcotics agents in the US last year was of Mexican origin.

Large-scale seizures and arrests like last week's have not been the rule for Mexican authorities. Statistics in recent years show that arrests, drug seizures, and the amount of opium and marijuana crops destroyed in Mexico are up, but large quantities of drugs are still entering the US through sections of the border that are not patrolled. [redacted]

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National Intelligence Bulletin

January 23, 1975

US assistance in the form of training, equipment, technical aids, and helicopters should eventually help Mexico make inroads on the narcotics growing and trafficking. In the meantime, however, Mexico will remain a convenient country for traffickers to operate in-- interdiction efforts like those of last week notwithstanding. [REDACTED]

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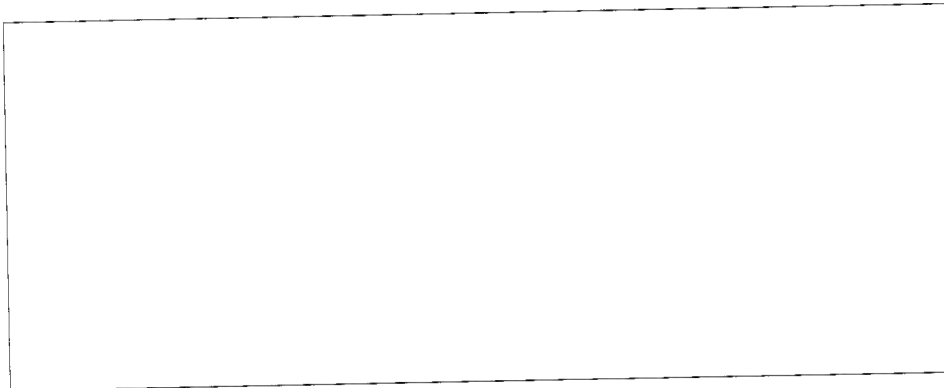
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CIA/CPAS --- NIDC 85-180C ---

National Intelligence Daily

Tuesday
13 August 1985



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CPAS NIDC 85-180C

13 August 1985

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Mexico: Continued Rise in Opium Production

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MEXICO: Continued Rise in Opium Production

The marked resurgence in opium production that began last year appears to have continued during the first half of 1985 and almost certainly will result in even larger exports of heroin to the US. Preliminary analysis [] conducted in February indicates the total harvest will approach 45 tons, compared to about 30 tons in 1984 and under 20 tons in 1983. Nearly all the opium is refined into heroin that is smuggled into the US; this year it will account for as much as 40 percent of US consumption, as compared to some 30 percent in recent years.

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Comment: Mexico's once-successful opium eradication program continues to be hampered by economic problems, which limit funds and equipment. [] President de la Madrid is committed to working with the US to improve the situation, but the changes he has made during the past year have not been adequate to regain the initiative. If Mexico City does not take adequate measures, opium production could increase again next year—and could rival the peak levels of 10 years ago.

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National Intelligence Daily

Thursday
11 August 1983

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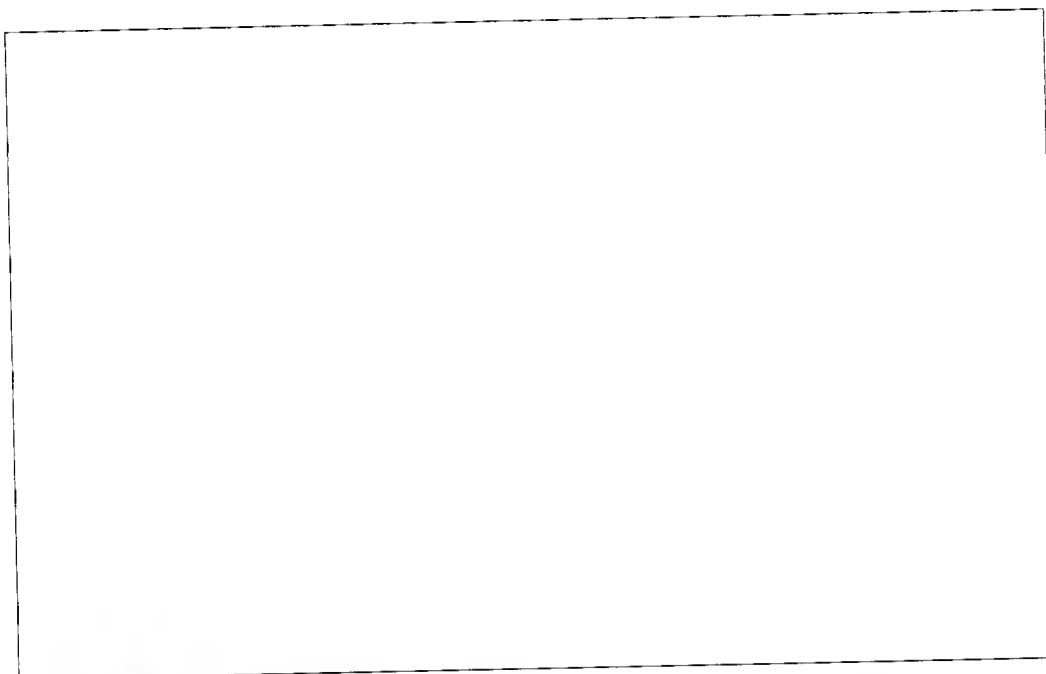
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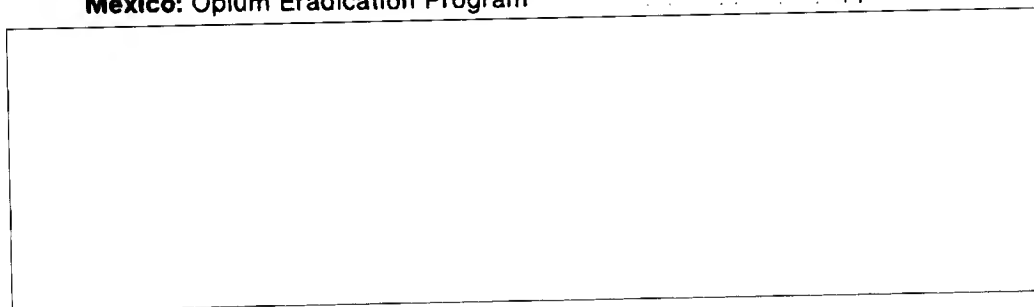
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Mexico: Opium Eradication Program

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NR
Record**MEXICO: Opium Eradication Program**

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Recent statistics on the opium poppy eradication program in Mexico confirm estimates [redacted] that opium production this year will reach some 17 tons. This is roughly the amount produced each year since 1980. When processed, the opium will account for nearly one-third of the 4 to 5 tons of heroin sold yearly in the US. [redacted]

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The eradication program began in 1976, [redacted] after opium production had reached an estimated 65 tons a year. It uses Mexican Army forces and an aerial spray campaign to destroy poppy fields. Farmers have been able to limit the effectiveness of the program by reducing the size of their fields, moving them beyond traditional growing areas, hiding them under camouflage, and locating them in steep ravines to frustrate airborne herbicide application. Without the eradication program, however, farmers could have produced some 35 tons of opium this year. [redacted]

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